



# Defense Reutilization & Marketing Service

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## Undocumented HM Shipments to DRMS

Randy Smith

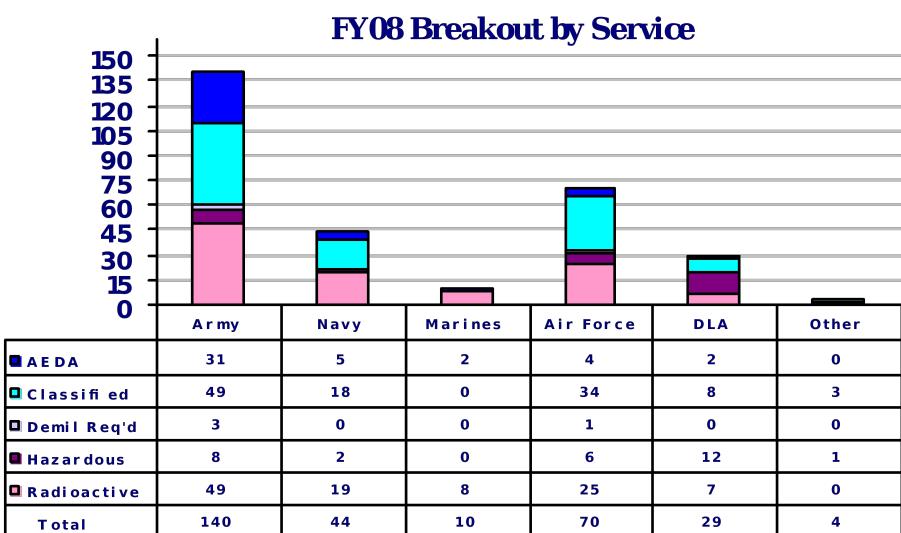
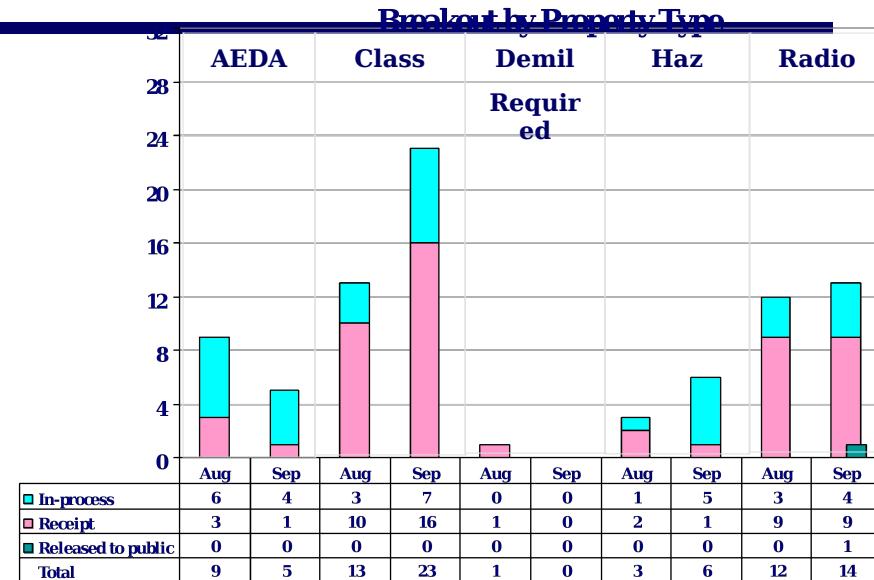
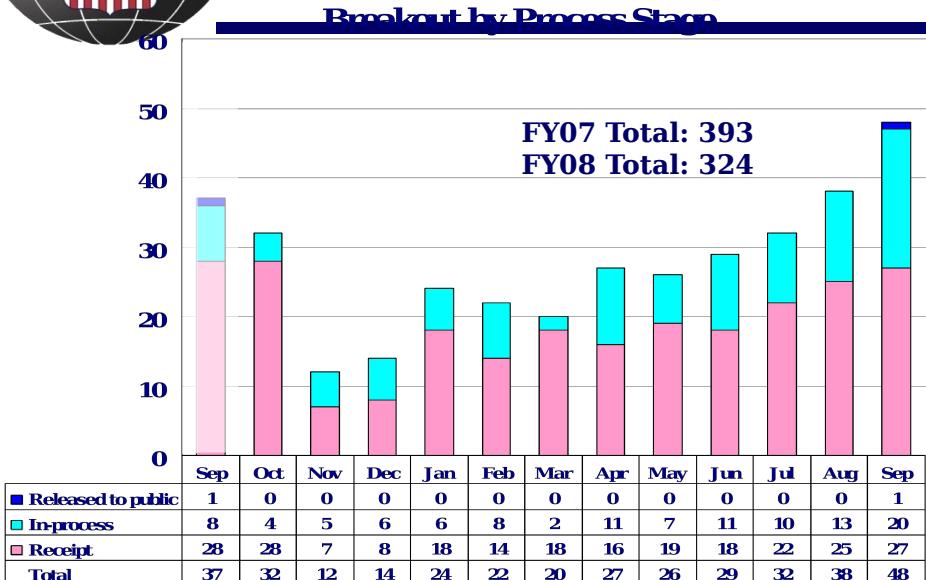
DRMS-J33

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# Unauthorized Property Transactions



## September FY08

- 48 Unauthorized property incidents
- 27 Identified at Receipt, 20 In-Process, 1 Released to Public
- 5 AEDA, 23 Classified, 0 Demil Req, 6 Hazardous, 14 Radioactive
- 16 Army, 4 Navy, 1 Marine Corps, 9 Air Force, 13 DLA, 1 Other
- 3 incidents identified from contingency operations (Kuwait, Afghanistan)



# Undocumented Shipments of HM

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- What
  - Radioactive, Hazardous, AEDA
- How
  - Hidden in usable property turn-ins
  - Inaccurate AEDA certifications
  - HM in end items not identified as HM
  - Fluids left in equipment
  - Flares, rounds left in uniforms
  - Trailers/cabs of rolling stock or storage cabinets not checked
  - Becomes/increases radioactivity during use
  - FLIS/HMIRS inaccurate
- Who
  - Contingency Ops
  - Army (largest excess property generator)
  - DLA (largest as a percentage of excess property)

# U.S. Inquiry Into Wal-Mart's Handling of Waste

By THE ASSOCIATED PRESS

Published: December 21, 2005

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Wal-Mart Stores is being investigated by federal authorities over how it handled merchandise classified as hazardous waste, the company said yesterday.

Wal-Mart said in a filing with the Securities and Exchange Commission that the investigation centered on the company's transport of hazardous materials from stores in California to a return center in Las Vegas. The company said its practice was to move hazardous materials to return centers, then take the materials to sites approved for hazardous waste disposal.

The materials include a wide range of products ranging from damaged aerosol cans to paint, a Wal-Mart spokeswoman, Sarah Clark, said.

"The government did not challenge the manner in which we disposed of hazardous-waste material once it arrived in the return center, but rather the transport of the material to the return center," Ms. Clark said.

According to Wal-Mart, federal prosecutors said the company potentially violated the Resource Conservation and Recovery Act, which requires hazardous waste to be shipped straight to a disposal site by a certified hazardous waste carrier.

"We are currently reviewing our transportation procedures, taking the necessary action to correct any regulatory problems," Ms. Clark said.

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# Undocumented Shipments of HM

## Item 8.01. Other Events

As reported in its Form 10-Q for the quarterly period ended October 31, 2005, Wal-Mart Stores, Inc. (the “Company”) has received a grand jury subpoena from the United States Attorney’s Office in Los Angeles, California, seeking documents and information relating to the Company’s receipt, transportation, handling, identification, recycling, treatment, storage and disposal of certain merchandise that constitutes hazardous materials or hazardous waste. The Company also received administrative requests from the California Department of Toxic Substances Control requesting similar documents and information. California state and local authorities and the State of Nevada have also initiated investigations into this matter. The Company is cooperating fully with the respective authorities.

The Company has now been informed by the U.S. Attorney that it is a target of a criminal investigation into potential violations of the Resource Conservation and Recovery Act (“RCRA”). The investigation by the U.S. Attorney involves, among other things, the transportation of returned merchandise from the Company’s stores in California to its Return Center in Las Vegas, Nevada. Historically, the Company’s practice has been to consolidate certain returned merchandise at its Return Centers, then dispose of the merchandise classified as “hazardous waste” by transporting such merchandise from the Return Center to a certified waste disposal facility using a certified hazardous waste carrier.

The U.S. Attorney contends that the use of Company trucks to transport certain materials from its stores to its Return Centers is prohibited by RCRA because those materials may be considered hazardous waste. The government alleges that, to comply with RCRA, the Company must ship from the store certain materials as “hazardous waste” directly to a certified disposal facility using a certified hazardous waste carrier.

The Company cannot predict the outcome of this matter or the amount of any possible loss or range of loss which may arise from this matter.



# Undocumented Shipments of HM

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- Impact
  - Safety: Potential fire/explosion/injury
  - Regulatory:
    - Failure to make waste determination & manifest (Wal-Mart)
    - Acceptance & storage of HM/HW without permit
    - SQG and/or CESQG now LQG
- Current Process
  - DRMO discovers HM
  - Performs spill response/notifies EOD for immediate removal (if needed) and spill reporting
  - Places in HM frustrated area
  - Attempts to determine generator and cause
  - Completes situation report
  - Creates DRMS form 917 reject notice and notifies generator (if possible) - requests corrective action
  - Creates HW disposal task order or notifies Rock Island for radioactive pickup



# Unauthorized HM - Examples

## INSPECTION / AUDIT

**Hill (20080760):** A State of Utah RCRA inspector came to the DRMO to inquire about how Hazardous Materials that could be recycled are handled, specifically in regards to how do we know it's not Sham Recycling. The process was discussed with him, the web site of the PMRP was shown, and he requested a copy of the Contract with Sabin Metals. He asked to be shown the area where Silver materials and recyclable PM are stored. He indicated no findings. The inspection lasted approximately a hour and a half.

## RADIOACTIVITY

**Stockton (20080763):** While inputting property, a Daisy pop-up indicated the item may contain radioactive parts, components, or properties. The receiver contacted the RPO and the item was moved to the LLR storage area pending disposition. The RPO will be contacting the customer to see how they would like to handle the item. The generator will be given the choice to either retrieve the item and process through their local Radiation Protection Officer or we dispose of it at their cost. Generator Information: Navy, NAVAIRSYSCOM, San Diego, CA. Noun Name: Electron Tube NSN: 5960-00-503-4880.

## AEDA

**Colorado Springs (20090039):** A SV Partner's sub contractor removed 50 caliber links that were turned in on 10/10/2008. When the contractor delivered the links to the smelter there was one live 50 caliber round in the pile. The sub contractor was informed by the smelter that they would no longer accept any ammunition type scrap. A Fort Carson QASAS employee was informed of the incident on 10-16-2008. The employee went to retrieve the 50 caliber round and some blank 5.56mm caliber rounds found in ammo pouches from another Army generating activity. Generating Activity: Army, Army Supply Point, Fort Carson, Colorado. Noun Name: 50 Cal Links M9 NSN:1305-00-203-4232.

## HAZARDOUS PROPERTY

**Tucson (20080688):** While processing the F117 Project, a receiver found a box containing Battery Packs. The property was co-mingled with non-hazardous material. The Environmentalist was notified and the property was relocated to the HAZMAT area awaiting disposal. Generator Information: Air Force, Lockheed Martin Corp. Palmdale, CA. Noun Name: Battery Pack, NICAD. LSN: 6135-00-BATTERY.



# Undocumented Shipments of HM

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- Challenges
  - Current corrective action is at transactional level
  - Not many repeat offenders (excluding DLA & Contingency ops)
  - Increasing regulatory concern
  - Estimated 2/3rds of all undocumented HM shipments not reported (DRMO just works it)
- Solutions:
  - Your ideas here!